

Mayor Nanette K. Johnston opened the work session at 6:37 p.m. on November 19, 2019, at City Hall located at 8880 Clark Avenue, Parkville. In attendance were aldermen Greg Plumb, Douglas Wylie, Brian Whitley, Philip Wassmer and Dave Rittman.

The following staff was also present:

Joe Parente, City Administrator

Kevin Chrisman, Police Chief

Matthew Chapman, Finance/Human Resources Director

Alysen Abel, Public Works Director

Stephen Lachky, Community Development Director

Anna Mitchell, Assistant to the City Administrator

Chris Williams, City Attorney

Melissa McChesney, City Clerk

**1. GENERAL AGENDA**

**A. 2020 City of Parkville Operating and Capital Budget**

Public Works Director Alysen Abel provided an overview of changes made for the 2020 Sewer Fund budget; presentation attached as Exhibit A. She said that money was budgeted to fund an update to the sewer allocation study to determine if the transfer from the Sewer Fund to the General Fund needed to be changed. A total of \$50,000 was added to the transfer and the sewer rate increase was changed from three percent to five percent to help cover the additional cost. Abel added that the Platte County Regional Sewer District's base rate would remain the same, but the usage fee would be increased by five percent.

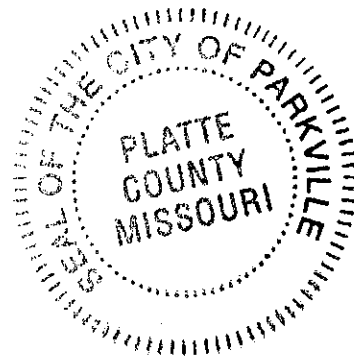
Anna Jaffe, Curious Eye Productions, provided an overview for upgrade recommendations to the audio and visual in the board room, noting that the cameras would be upgraded to high definition to improve the video quality and the projection system would also be upgraded.

The work session ended at 7:04 p.m.

The work session minutes for November 19, 2019, having been read and considered by the Board of Aldermen, and having been found to be correct as written, were approved on this the third day of December 2019.

Submitted by:

  
City Clerk Melissa McChesney



# City of Parkville 2020 Budget

*Fourth Budget Work Session*

November 19, 2019

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## Fourth Budget Work Session Topics

- Sewer Fund
- Sewer CIP
- Sewer rates
- Follow-up from previous work sessions

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# Sewer Fund

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# Sewer Fund Forecast

## Sewer Fund (30)

Last Updated 10/31/2019

	2017	2018	2019	2019	2019	2020	2021	2022	2023	2024	2025
	Actual	Actual	Budget	YTD	Projected	Budget	Projected	Projected	Projected	Projected	Projected
<i>Beginning Fund Balance</i>	\$ 424,422	439,493	689,313	689,313	689,313	945,511	827,967	851,654	1,136,901	1,477,520	1,704,549
<b>Revenues</b>											
<i>Projected Rate Increase</i>	10.00%	10.00%	10.00%	10.00%	10.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Sewer Charges	1,147,360	1,320,195	1,334,993	1,203,759	1,444,511	1,516,737	1,562,239	1,609,106	1,657,379	1,707,101	1,758,314
Sewer Tap Fees	28,405	41,850	30,000	33,000	33,000	30,000	30,450	30,907	31,370	31,841	32,319
Sewer Impact Fees	25,400	34,650	34,000	72,020	72,020	50,000	50,750	51,511	52,284	53,068	53,864
MOAW Bill Collection Payment	434	444	550	-	-	-	550	550	550	550	550
Grinder Pump Administrative Fee	4,620	4,620	4,620	3,850	4,620	4,620	4,620	4,620	4,620	4,620	4,620
Interest Income	4,019	4,160	5,000	3,243	4,865	4,500	5,050	5,101	5,152	5,203	5,255
Transfer from Sewer CIP (33)	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	22,317	22,317	-	-	-	-	-	-
<b>Sewer Fund Revenues:</b>	<b>1,210,237</b>	<b>1,405,918</b>	<b>1,409,163</b>	<b>1,338,189</b>	<b>1,581,333</b>	<b>1,605,857</b>	<b>1,653,659</b>	<b>1,701,795</b>	<b>1,751,355</b>	<b>1,802,383</b>	<b>1,854,922</b>
<b>Total Sources:</b>	<b>1,634,659</b>	<b>1,845,411</b>	<b>2,098,476</b>	<b>2,027,502</b>	<b>2,270,646</b>	<b>2,551,368</b>	<b>2,481,626</b>	<b>2,553,449</b>	<b>2,888,256</b>	<b>3,279,903</b>	<b>3,559,471</b>
<b>Expenditures</b>											
Operating Expenses	555,672	540,078	579,117	446,087	546,872	571,539	582,222	593,113	604,215	615,532	627,069
Capital Expenses	301,706	244,753	393,400	75,872	366,400	690,000	573,300	333,300	300,700	439,000	2,050,000
Debt Service	187,788	181,267	181,862	152,656	181,862	181,862	179,450	180,135	180,821	180,821	180,821
Transfer to General Fund - Admin Fee	150,000	190,000	230,000	191,667	230,000	280,000	295,000	310,000	325,000	340,000	355,000
Other Transfers	-	-	-	-	-	-	-	-	-	-	-
<b>Sewer Fund Expenditures:</b>	<b>1,195,167</b>	<b>1,156,098</b>	<b>1,384,379</b>	<b>866,281</b>	<b>1,325,135</b>	<b>1,723,401</b>	<b>1,629,972</b>	<b>1,416,548</b>	<b>1,410,736</b>	<b>1,575,353</b>	<b>3,212,890</b>
<b>Estimated Working Capital (deficit):</b>	<b>439,493</b>	<b>689,314</b>	<b>714,097</b>	<b>1,161,221</b>	<b>945,511</b>	<b>827,967</b>	<b>851,654</b>	<b>1,136,901</b>	<b>1,477,520</b>	<b>1,704,549</b>	<b>346,581</b>
<b>TARGET*</b>	\$364,206	\$363,786	\$384,141	\$312,094	\$376,080	\$394,747	\$398,756	\$405,913	\$413,125	\$419,704	\$426,338

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## Sewer Allocation Study

- Sewer Allocation Study by Springsted in 2016
- Study Recommendation
  - Reasonable Transfer of \$365,644 from Sewer Fund to General Fund
- A separate analysis determined direct personnel costs of \$210,449 can reasonably be charged to the Sewer Fund.
- Current Plan – increase \$50,000 per year. \$280,000 transfer in 2020.

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## History of Sewer Allocation

<u>Year</u>	<u>Allocation from Sewer</u>
2013	\$100,000
2014	\$100,000
2015	\$101,500
2016	\$103,530
2017	\$150,000
2018	\$190,000
2019	\$230,000
<b>2020</b>	<b>\$280,000</b>
2021 Estimated	\$295,000
2022 Estimated	\$305,000

Sewer Allocation Study recommendation = \$365,644

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## Sewer Rate Increases

Year	Sewer Rate Increase
2014	3%
2015	3%
2016	2.5%
2017	10%
2018	10%
2019	10%
2020 Proposed	5%
2021 Estimate	3%
2022 Estimate	3%
2023 Estimate	3%
2024 Estimate	3%

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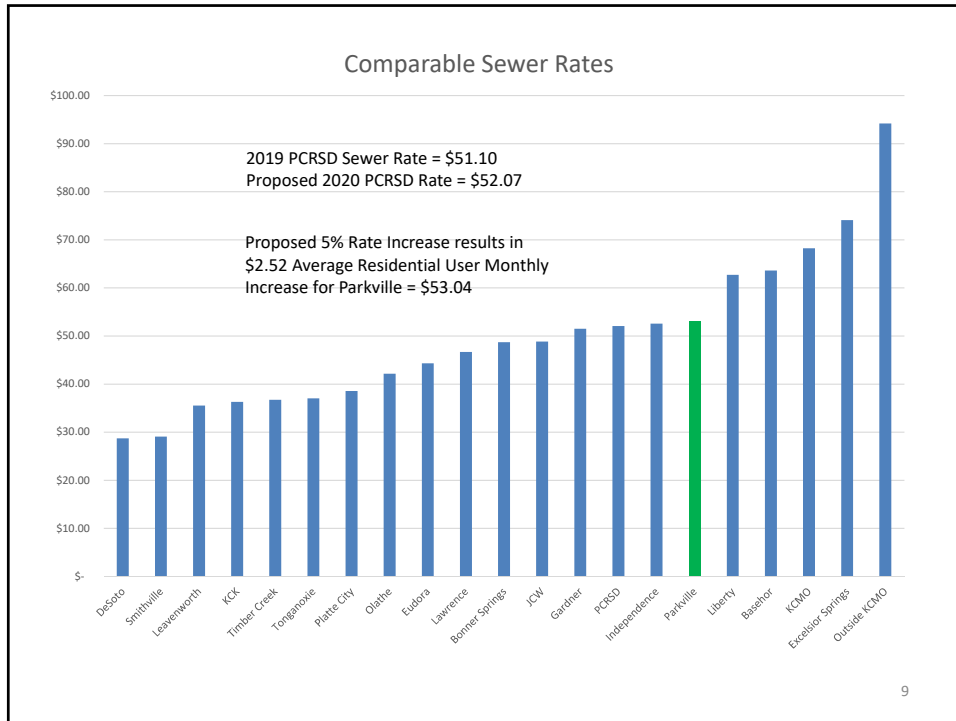
## Sewer Rate Breakdown

Sewer Rate	Sewer Base Fee	Consumption Rate	Average Monthly Bill*	Monthly Cost Difference
Current Rate	\$16.66	\$0.787 per 1,000 gallons	\$50.52	-
3%	\$17.16	\$0.811 per 1,000 gallons	\$52.03	\$1.51
5%	\$17.49	\$0.827 per 1,000 gallons	\$53.04	\$2.52
6%	\$17.66	\$0.835 per 1,000 gallons	\$53.55	\$3.03
10%	\$18.33	\$0.866 per 1,000 gallons	\$55.57	\$5.05

\* Based on the average consumption rate of 4,300 gallons per month for a 4-person household

3% Rate Increase = \$40,050 Revenue  
 5% Rate Increase = \$66,750 Revenue  
 6% Rate Increase = \$80,100 Revenue  
 10% Rate Increase = \$133,499 Revenue

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## Sewer Fund Recommendation

1. Adjust the Sewer Allocation for Administrative Charge
  - \$280,000 (increase \$50,000)
2. Proposed CIP
  - \$690,000
3. Increase Sewer Rates
  - Proposed 5% rate increase
4. Engage Baker Tilly to Update Sewer Admin Cost Allocation Study

# General Fund

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<b>General Fund (10)</b>										
<i>Last Updated 10/31/2019</i>										
	2017	2018	2019	2019	2019	2020	2021	2022	2023	2024
	Actual	Actual	Budgeted	YTD	Projected	Budgeted	Projected	Projected	Projected	Projected
<i>Beginning Fund Balance</i>	\$ 1,675,331	1,598,030	1,747,951	1,747,951	1,747,951	1,783,728	\$ 1,103,597	\$ 492,840	\$ (39,493)	\$ (366,692)
<b>Revenues</b>										
Taxes	2,245,141	2,323,418	2,412,515	2,281,326	2,429,745	2,505,861	\$ 2,555,978	\$ 2,607,098	\$ 2,659,240	\$ 2,712,424
Licenses	56,257	57,943	58,500	53,153	61,240	59,000	\$ 59,590	\$ 60,186	\$ 60,788	\$ 61,396
Permits	309,647	425,574	294,470	411,224	460,128	344,600	\$ 350,590	\$ 350,309	\$ 355,735	\$ 361,268
Franchise Fees	844,467	890,574	907,000	505,261	874,306	884,000	\$ 901,670	\$ 919,693	\$ 937,047	\$ 955,788
Other Revenue	37,645	38,426	40,825	13,094	19,859	40,850	\$ 41,405	\$ 41,970	\$ 42,548	\$ 43,138
Court Revenue	174,730	154,101	180,000	98,401	117,284	150,000	\$ 152,250	\$ 154,534	\$ 156,852	\$ 159,205
Interest Income	7,673	7,919	8,400	6,280	9,215	8,000	\$ 8,160	\$ 8,323	\$ 8,490	\$ 8,659
Miscellaneous Revenue	99,917	106,695	52,200	587,210	583,664	952,500	\$ 463,000	\$ 467,010	\$ 467,530	\$ 468,061
Grant Revenue	10,000	6,101	9,250	13,019	430,407	9,250	\$ 9,250	\$ 1,500	\$ 1,500	\$ 1,500
Transfers	375,000	405,000	415,000	345,833	428,500	505,000	\$ 520,000	\$ 545,000	\$ 560,000	\$ 575,000
<b>Total - General Fund Revenues:</b>	<b>4,160,476</b>	<b>4,415,750</b>	<b>4,378,160</b>	<b>4,314,802</b>	<b>5,414,347</b>	<b>5,459,061</b>	<b>5,061,893</b>	<b>5,155,623</b>	<b>5,249,728</b>	<b>5,346,438</b>
<b>Total Sources</b>	<b>5,835,807</b>	<b>6,013,780</b>	<b>6,126,111</b>	<b>6,062,753</b>	<b>7,162,298</b>	<b>7,242,789</b>	<b>6,165,490</b>	<b>5,648,463</b>	<b>5,210,236</b>	<b>4,979,746</b>
<b>Expenditures</b>										
Administration	1,084,326	1,051,339	1,211,565	1,197,618	1,406,247	1,330,181	\$ 1,356,528	\$ 1,383,644	\$ 1,411,553	\$ 1,440,286
Police	1,132,535	1,119,196	1,382,804	1,075,765	1,310,085	1,484,165	\$ 1,517,746	\$ 1,552,237	\$ 1,587,666	\$ 1,624,064
Municipal Court	139,437	146,193	161,591	130,925	156,382	167,588	\$ 170,928	\$ 174,349	\$ 177,853	\$ 181,443
Public Works	229,501	221,013	246,742	224,319	260,341	318,211	\$ 324,633	\$ 331,214	\$ 337,957	\$ 344,869
Community Development	279,946	282,135	307,720	234,398	307,601	316,597	\$ 323,216	\$ 329,994	\$ 336,935	\$ 344,044
Streets	387,692	385,122	446,893	334,368	440,270	465,110	\$ 475,844	\$ 486,876	\$ 498,218	\$ 509,879
Parks	334,099	327,323	380,221	280,925	366,562	408,639	\$ 416,462	\$ 424,494	\$ 432,743	\$ 441,214
Nature Sanctuary	40,026	43,870	55,276	36,728	51,145	53,864	\$ 54,327	\$ 54,795	\$ 55,267	\$ 55,743
Information Technology	51,707	49,205	48,128	35,088	46,044	58,352	\$ 58,644	\$ 58,937	\$ 59,232	\$ 59,528
Public Information	15,100	15,370	21,010	13,738	19,157	21,210	\$ 21,316	\$ 21,423	\$ 21,530	\$ 21,637
<b>Total Operating Expenses</b>	<b>3,694,369</b>	<b>3,640,766</b>	<b>4,261,951</b>	<b>3,563,873</b>	<b>4,363,833</b>	<b>4,623,919</b>	<b>4,719,645</b>	<b>4,817,962</b>	<b>4,918,954</b>	<b>5,022,708</b>
Capital Outlay (CIP)	225,909	358,594	277,102	638,672	697,238	592,451	\$ 430,184	\$ 347,172	\$ 177,975	\$ 135,120
Transfers	317,500	317,500	317,500	211,667	317,500	922,822	\$ 522,822	\$ 522,822	\$ 480,000	\$ 480,000
<b>Total - General Fund Expenditures:</b>	<b>\$4,237,778</b>	<b>\$ 4,316,860</b>	<b>\$4,856,553</b>	<b>\$4,414,211</b>	<b>\$5,378,571</b>	<b>\$6,139,191</b>	<b>\$5,672,650</b>	<b>\$5,687,956</b>	<b>\$5,576,928</b>	<b>\$5,637,828</b>
<b>Estimated Ending Balance (deficit):</b>	<b>\$1,598,029</b>	<b>\$ 1,696,920</b>	<b>\$1,269,559</b>	<b>\$1,648,542</b>	<b>\$1,783,728</b>	<b>\$1,103,597</b>	<b>\$ 492,840</b>	<b>\$ (39,493)</b>	<b>\$ (366,692)</b>	<b>\$ (658,082)</b>

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## Need Direction

- Any additional changes or information desired by the Board of Aldermen prior to final 1<sup>st</sup> Reading of the Budget Ordinance on December 3, 2019.

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## Next Steps

- ~~October 15 — Revenue Projections, General Fund, Debt Service~~
- ~~October 28 — CIP, Transportation Fund, Park Sales Tax Fund, miscellaneous follow up~~
- ~~November 5 — Sewer Fund, miscellaneous follow up~~
- ~~November 19 — Miscellaneous follow up, summary review~~
- December 3 – Adoption – 1<sup>st</sup> Reading
- December 17 – Adoption – 2<sup>nd</sup> Reading

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